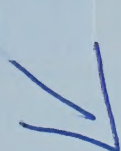


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RELEASE DATE

TUES. FEB 8/72



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THE **EQUITABLE LIFE** INSURANCE COMPANY
OF CANADA

Annual Report 1971

DIRECTORS

M. J. SMITH*	<i>Honorary Chairman</i>
H. E. POWER,* F.C.I.S.	<i>Chairman of the Board</i>
T. R. SUTTIE,* F.I.A., F.C.I.A.	<i>President</i>
W. J. McGIBBON,* Q.C.	<i>1st Vice-President</i>
C. N. WEBER*	<i>2nd Vice-President</i>

H. D. GREB	J. E. MOTZ
J. G. HAGEY, LL.D.	J. W. SCOTT*
P. R. HILBORN	W. H. TIMMIS
H. S. MORTON, O.B.E., F.R.C.S.	

* *Member of the Executive Committee*

OFFICERS

T. R. SUTTIE, F.I.A., F.C.I.A.	<i>President</i>
G. R. BLAKE, F.L.M.I.	<i>Vice-President and Treasurer</i>
D. L. MacLEOD	<i>Vice-President, Marketing</i>
H. I. McINTOSH, F.S.A., F.C.I.A.	<i>Vice-President and Actuary</i>
R. A. SAUNDERS, F.S.A., F.C.I.A.	<i>Vice-President and Comptroller</i>
W. H. WAHL, F.C.I.S., F.L.M.I.	<i>Vice-President and Secretary</i>
G. L. BRUNT, C.L.U.	<i>Regional Sales Director</i>
L. J. HAMEL, F.L.M.I.	<i>Investment Administrative Officer</i>
R. A. HOOPER	<i>Employee Benefit Plans Sales Director</i>
G. J. MELNIK, F.S.A., F.C.I.A.	<i>Assistant Actuary, Group</i>
R. NOBLE, A.A.C.I.	<i>Assistant Treasurer, Mortgages</i>
N. W. PARKER	<i>Assistant Secretary</i>
W. H. PUGH, F.L.M.I.	<i>Assistant Secretary</i>
D. C. RAMSAY, F.L.M.I.	<i>Systems and Planning Officer</i>
D. G. SEEBACH, F.L.M.I.	<i>Marketing Services Director</i>
D. J. TABER, C.L.U.	<i>Regional Sales Director</i>
McGIBBON, HARPER & HANEY	<i>Solicitors</i>
P. G. SCHWAGER, M.D.	<i>Medical Director</i>

DIRECTORS' REPORT

TO THE POLICYOWNERS OF THE EQUITABLE LIFE INSURANCE COMPANY OF CANADA:

NEW POLICYOWNERS — During the year 7,038 new policy owners and certificate holders joined those already associated with the Company, bringing the total to 102,674 and the business in force to \$1,324,545,389, a gain of \$73,733,315 in the year.

NEW BUSINESS — New records were established in the volume of new business written, with a gain over the previous year of 22% in individual sales and of 25% in total sales.

PAYMENTS TO POLICYOWNERS — A total of \$7,950,704 was paid to policyowners and beneficiaries. This included policy dividends of \$1,275,963.

PROTECTION FOR POLICYOWNERS — An increase of \$3,675,436 brought the statutory policy reserves to \$69,942,829. To provide further security for policyowners, \$150,000 was added to the Investment Reserve and \$232,868 to the Unassigned Surplus. Together these two items now amount to \$7,169,935.

REVENUE — Total revenue for the year was \$16,448,640, an increase over the previous year of \$1,095,530. The rate of interest earned was 6.77% as compared to 6.72% in 1970. This rate is calculated after the deduction of investment expenses, but before deducting investment income tax.

ASSETS — These now amount to \$83,990,198, an increase of \$5,676,265.

DEATH BENEFITS — In 1970 the Company experienced a sharp upward fluctuation in death claim payments and drew to the extent of \$200,000 upon the Mortality Fluctuation Reserve which had been accumulated during the previous years of favourable experience and carried in the Policy Reserves. In 1971 death claim payments returned to the level experienced in previous years and the practice of building up this fund was resumed with an addition of \$50,000.

TAXATION — The estimate of the income tax payable for 1971 is \$765,000, of which \$230,000 is reported as a deduction from investment income and the balance is shown as a separate item in the Summary of Operations.

NEW HEAD OFFICE BUILDING — The move into the new building was accomplished during the first week in December 1971 without interruption in the service to policyowners. The building, which is providing comfortable and efficient working conditions, will accommodate continuing growth in the Company's operations for an estimated 15 years, and is designed to facilitate an extension which would be fully integrated with the original building. Ample land is available for further additions as required.

RETIRING DIRECTOR — Because of the age limit imposed by the Canadian and British Insurance Companies Act, Mr. J. M. Riddell, Q.C. is ineligible for re-election at the Annual Meeting on February 7, 1972. Mr. Riddell has served as a director for 38 years, and his experience, support and wise counsel will be greatly missed.

STAFF — The Directors again wish to record their sincere appreciation to the Head Office and Field staffs. The record level of New Business is an indication of the successful efforts of the Field Force, while the efficient handling of this increased volume of business and the maintenance of a high level of service throughout the move to the new Head Office building reflect credit on each member of the Head Office staff.

On behalf of the Board

H. E. POWER, *Chairman of the Board*
T. R. SUTTIE, *President*

OUR PROGRESS AT A GLANCE

	1971	1970	1961
New Business — Life and Annuity	\$ 86,861,343	\$ 69,458,125	\$ 70,543,258
Business in Force — Life and Annuity	1,324,545,389	1,250,812,074	274,155,685
Income	16,448,640	15,353,110	6,723,416
Assets	83,990,198	78,313,933	41,279,149
Benefit Payments	7,950,704	7,213,946	2,426,873
Investment Reserve and Unassigned Surplus	7,169,935	6,787,067	2,411,330
Dividends to Policyowners	1,275,963	1,107,756	408,963
Earned Interest Rate	6.77%	6.72%	5.48%

(Net of investment expenses,
but before investment income tax)

*The Equitable Life of Canada is a mutual company
owned entirely by its participating policyowners.*

AUDITORS' REPORT TO THE POLICYOWNERS

We have examined the statement of assets, liabilities and surplus of The Equitable Life Insurance Company of Canada as at December 31, 1971, and the summary of operations for the year ended on that date. Our examination included a general review of the accounting procedures and such tests of accounting records and other supporting evidence as we considered necessary in the circumstances; the policy reserves were determined and certified by the Company's actuary.

In our opinion, based on our examination and the certificate of the Company's actuary, the accompanying statement of assets, liabilities and surplus and the related summary of operations present fairly the financial position of the Company as at December 31, 1971, and the results of its operations for the year ended on that date in accordance with accounting practices prescribed or permitted by the Department of Insurance, Canada.

Waterloo, Ontario
January 24, 1972.

CLARKSON, GORDON & CO.,
Chartered Accountants

ACTUARY'S CERTIFICATE

The Policy Reserves of \$69,942,829 shown in the statement of assets, liabilities and surplus at December 31, 1971, are in excess of the reserves required by Section 82 of the Canadian and British Insurance Companies Act, and, in my opinion, makes a good and sufficient provision for all unmatured obligations of the Company guaranteed under the terms of its policies, and the additions to policy reserves of \$3,675,436 shown on the accompanying statement of operations are a proper charge to operations for the year ended December 31, 1971.

January 20, 1972.

H. I. McINTOSH, F.S.A., F.C.I.A.,
Vice-President and Actuary

SUMMARY OF OPERATIONS

THE SOURCES OF INCOME WERE:

FOR YEAR ENDED DECEMBER 31
1971 1970

FOR COMPARISON

Premiums:

Insurance	\$ 8,998,156	\$ 8,822,993
Annuity	1,439,560	1,253,904
Health	653,202	503,295
Segregated Funds	315,979	180,125

11,406,897

10,760,317

Earnings from investments after investment expenses and investment income tax

4,985,365

4,578,508

Investment Gain on Segregated Funds

56,378

14,285

16,448,640

15,353,110

Dividends left on deposit in previous years transferred to purchase additional insurance

3,546,170

\$16,448,640

\$18,899,280

THIS INCOME WAS USED FOR:

Payments to policyowners and beneficiaries:

Death and Disability benefits	\$ 2,815,136	\$ 2,945,935
Matured endowments and cash values	2,558,134	2,021,664
Annuity and settlement option payments	651,068	635,308
Interest on policyowners' funds	114,474	132,470
Health Insurance benefits	513,349	360,563
Benefits paid from Segregated Funds	22,580	10,250

Additions to policy reserves to provide for future payments (including in 1970 \$3,585,188 of reserves for additional insurance purchased by the dividend transfer)

3,675,436

7,759,622

Increase in Segregated Funds

349,777

184,160

Operating expenses:

Compensation for sales and field service to policyowners	1,267,469	1,078,402
Service to policyowners at Head Office and branches	1,852,762	1,565,022
Premium and municipal taxes and licence fees	202,244	259,865

14,022,429

16,953,261

Net adjustment in asset values

42,380

(1,280)

Dividends to policyowners in year

1,275,963

1,107,756

Increase in provision for next year's dividends to policyowners

190,000

171,000

Income tax on earnings

535,000

245,514

Increase in Investment Reserve

150,000

200,000

Increase in Unassigned Surplus

232,868

223,029

\$16,448,640

\$18,899,280

BRANCH OFFICES

Branch Manager

CALGARY
D. E. DUDDER

EDMONTON
D. M. LILLYCROP, C.L.U.

GUELPH
R. M. WILLIAMS

HAMILTON

KITCHENER
D. S. W. OGILVIE, C.L.U.

LONDON
H. J. ROSE

MONTREAL
S. P. WINTON

OSHAWA
K. H. QUINN
Supervisor

OTTAWA
H. E. LATIMER, C.L.U.

REGINA
W. A. SMITH

ST. CATHARINES
P. W. ENGS, C.L.U.

Group Office

CALGARY
F. H. SCHNEIDER

Branch Manager

SASKATOON
MURRAY LEVINE

TORONTO
237-6 Lansing Square
A. MEARNS

Dixie Plaza
R. L. THOMPSON

401 Bay Street
G. B. McINNIS

VANCOUVER
1055 West Hastings Street
K. O. HOPKINSON

777 Hornby Street
R. K. PETRIE, C.L.U.

VICTORIA
NORTHWESTERN INSURANCE
AGENCIES LTD.

WATERLOO
E. F. GOMAN, C.L.U.

WINDSOR
R. D. LOVELL

WINNIPEG
P. S. TAYLOR, C.A., C.L.U.

Group Office

WATERLOO
R. A. HOOPER

MORTGAGE LOAN OFFICES

LONDON
A. E. ELMSLIE, A.A.C.I.
Manager

OTTAWA
R. W. HILL
Manager

TORONTO
W. KOMPA, S.R.A.
Representative

WATERLOO
R. NOBLE, A.A.C.I.
Manager

THE **EQUITABLE LIFE** INSURANCE COMPANY
OF CANADA

HEAD OFFICE - WATERLOO, ONTARIO